

**EXHIBIT D**

**Financials**

## Line Systems, Inc.

## Balance Sheet

Dec 31 01

Unaudited

## ASSETS

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## Current assets:

MELLON	79,009.63
LSI-TAXES MELLON	551,185.83
A/R - LSI CUSTOMER BILLING	831,955.91
A/R - SERVICE BILLING	15,638.97
A/R - PCCC BILLING	71,153.75
A/R - CABS BILLING	104,392.84
PROV FOR UNCOLLECTABLE ACCTS	(14,943.78)
LOANS RECEIVABLE - SALES	5,000.00
LOAN - EMPLOYEE	160.00
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Total current assets	1,643,553.15

## Fixed assets:

FURNITURE & FIXTURES - SALES	7,164.17
MIKE'S FORD TRUCK	0.00
BARRY'S SUV LEXUS	0.00
KEVIN'S MAZDA	0.00
MIKE'S LEXUS	0.00
RAY'S ACURA	0.00
KEVIN'S SUV	0.00
OFFICE EQUIPMENT	39,867.33
Less accumulated depreciation	9,920.01
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	37,111.49

## Other assets:

NY RESALE DEPOSIT	4,375.00
CUSTOMER BASE PURCHASES	300,000.00
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	304,375.00
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	1,985,039.64
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## LIABILITIES AND SHAREHOLDERS' EQUITY

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## Current liabilities:

ACCOUNTS PAYABLE	85,882.59
ACCRUED EXPENSES	573,595.24
ACCRUED PROFIT SHARING	100,000.00
FICA & FIT TAXES	0.00
PA WITHHOLDING TAXES	0.00
PHILA. WAGE TAX	0.00
OCCUPATIONAL TAXES	0.00

PA UNEMPLOYMENT TAXES	0.00
FEDERAL UNEMPLOYMENT TAXES	0.00
GARNISHMENT	0.00
SALES TAX PAYABLE	0.00
FEDERAL EXCISE TAX PAYABLE	0.00
GROSS RECEIPTS TAX PAYABLE	0.00
FED TAX PAYABLE	39,580.10
USF (ALL TRAFFIC) TAX PAYABLE	30,713.08
STATE INTRASTATE TAX PAYABLE	10,718.36
STATE INTERST RES TAX PAYABLE	219.93
STATE INTERST BUS TAX PAYABLE	29,999.24
STATE OTHER TAX PAYABLE	131,772.75
COUNTY INTRASTATE TAX PAYABLE	37.97
COUNTY INTERSTATE TAX PAYABLE	596.62
COUNTY OTHER TAX PAYABLE	3,363.39
CITY INTRASTATE TAX PAYABLE	126.82
CITY INTERSTATE TAX PAYABLE	112.28
CITY OTHER TAX PAYABLE	0.00
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Total current liabilities	1,006,720.37
INVESTMENT/BARRY	135,333.34
INVESTMENT/RAY	135,333.33
INVESTMENT/MIKE	135,333.33
NOTES PAYABLE - BARRY & RAY	700,000.00
LOAN REIMBURSEMENT - BARRY	(60,337.00)
LOAN REIMBURSEMENT - RAY	(60,337.00)
LOAN REIMBURSEMENT - MIKE	(60,337.00)
LOAN REIMBURSEMENT - BEN	0.00
LOAN REIMBURSEMENT - KEVIN	0.00
CAPITAL - BARRY	0.00
CAPITAL - RAY	0.00
BARRY DISTRIBUTIONS	0.00
RAY DISTRIBUTIONS	0.00
MIKE'S DISTRIBUTIONS	0.00
KEVIN'S DISTRIBUTIONS	0.00
Shareholders' equity:	
CAPITAL STOCK	30,000.00
PREVIOUS RETAINED EARNINGS	(187,131.72)
Profit (loss) for period	210,461.99
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Total shareholders' equity	53,330.27
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	1,985,039.64
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Line Systems, Inc.  
Statement of Earnings  
12 Periods Ended Dec 31 01

Unaudited

	Current YTD -----
Revenue:	
SALES - INBOUND INTRASTATE	41,408.22
SALES - INBOUND INTERSTATE	59,489.00
SALES - OUTBOUND INTRASTATE	213,142.53
SALES - OUTBOUND INTERSTATE	207,932.18
SALES - CANADA	7,070.75
SALES - MEXICO	740.45
SALES - INTERNATIONAL	18,486.87
SALES - LOCAL	2,705,233.46
SALES - PCCC ATS CUSTOMERS	150,868.98
SALES - OPERATOR	8,601.62
SALES - FINANCE CHARGE	24,653.55
SALES - ACCESS REVENUE PCCC	106,117.07
SALES - ACCESS REVENUE CABS	694,336.69
SALES - SERVICE BILLINGS	21,554.00
SALES - SERVICE PARTS	4,795.30
SALES - MISC	7,834.39
INTEREST INCOME	905.10
MISCELLANEOUS INCOME	0.00
VERIZON CLEC REMEDY	86,000.00
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	4,359,170.16
Cost of sales:	
COS - LOCAL UNEP	531,631.25
COS-MISC. COST	264.11
COS - LOCAL PA RESALE	667,504.35
COS- LOCAL NJ RESALE	420,087.17
COS-LOCAL DE RESALE	34,738.23
COS LOCAL MD RESALE	0.00
COS - SERVICE LABOR	2,832.05
COS-LD VERIZON CABS	0.00
COS - LD GLOBAL WHOLESALE	413,693.97
COS - LD CAPSULE WHOLESALE	19,068.37
COS - AGENT COMMISSIONS	377,992.33
COS - VOICE MAIL SYNERGISTIC	6,162.04
COS - VOICE MAIL AMERICAN	0.00
COS - BILLING SERVICES ATS	60,755.61
COS - PRINTING & MAILING D&E	14,269.03
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	2,548,998.51
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Gross profit	1,810,171.65
Costs and expenses:	

	Current YTD -----
(continued)	
AMORTIZATION EXPENSE	0.00
DEPRECIATION EXPENSE	9,277.90
INTEREST EXPENSE	5,101.62
SERVICE CHARGES	803.48
SALES TAXES	0.00
FEDERAL EXCISE TAXES	21,667.48
NECCA - CLEC CERTIFICATIONS	0.00
SAI SALES REIMBURSEMENT	2,032.95
FED. REGULARITY EXPENSE	27,448.51
ANSWERING SERVICE	936.48
DUES/SUBSCRIPTIONS	7,277.77
ENTERTAINMENT	5,459.99
MISC. ADJUSTMENTS	190.70
ESTIMATED UNCOLLECTABLE ACCTS	7,851.37
OFFICE EXPENSE	13,932.65
OFFICE SUPPLIES	6,300.70
PROFESSIONAL SVCS - ACCTG	12,362.50
PROFESSIONAL SVCS - LEGAL	32,663.88
PROFESSIONAL SVCS - OTHER	69,909.39
MANAGEMENT EXPENSE	0.00
REPAIRS & MAINTENANCE	51,735.24
TELEPHONE	7,087.07
TRAVEL EXPENSES	11,091.73
PAYROLL	1,027,724.75
AUTO ALLOWANCE	3,272.50
AUTO EXPENSE	19,920.35
EMPLOYEE BENEFITS	66,575.59
CAR INSURANCE	6,866.67
PROMOTION	1,921.46
TRAINING EXPENDITURES	0.00
401K PENSION	(1,000.00)
HEALTH INSURANCE	4,722.86
DENTAL INSURANCE	(2,135.96)
POSTAGE	3,007.00
UTILITIES	3,994.44
INSURANCE	5,816.50
TAXES - GENERAL	3,575.90
PAYROLL TAX EXPENSE	60,671.19
WEB HOSTING	1,556.00
PROFIT SHARING CONTRIBUTION	100,000.00
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	1,599,598.66
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Earnings (loss) from operations	210,572.99
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Earnings (loss) before income taxes	210,572.99
Provision for income taxes:	
IRS - FEDERAL EXCISE TAXES	0.00
CORPORATE INCOME TAX - STATE	0.00
Philadelphia Busa. Tax	111.00

(continued)

SUSPENSE ACCOUNT

Current  
YTD

0.00

111.00

Net earnings (loss) for period

210,461.99

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